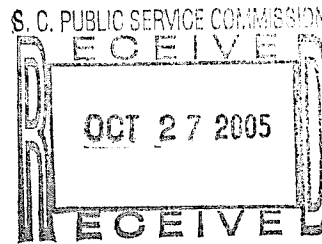
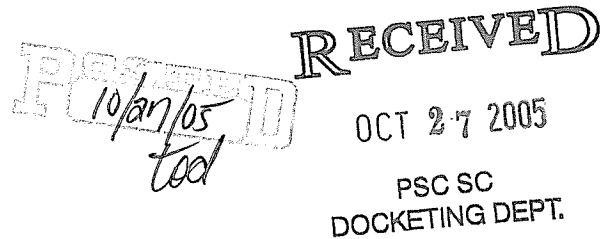




October 25, 2005



Mr. Charles Terreni  
Chief Clerk & Administrator  
Public Service Commission of SC  
Post Office Drawer 11649  
Columbia, SC 29211



Dear Mr. Terreni:

In compliance with PSC Order 2004-510 in Docket No. 2004-6-G, enclosed please find the report on South Carolina Pipeline Corporation's hedging activities for the period 3/30/05 - 4/27/05.

If you have any questions concerning this report, please do not hesitate to call.

Sincerely,

  
George Fasano, Jr.

Enclosures as indicated

N:Word/Hedge Activities PSC

Contract Settle	6,748
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Program Results	
NYMEX Average Market Price	\$ 7.2353
Purchase Price Achieved per Normal Scenario	-
Difference	7.2353
Ratio of Contract in Normal Scenario to Total Contracts in Plan	-
Price Gain (Loss) per Normal Scenario	-
Adjustment for Contracts Purchased per Low-Price Scenario	-
Adjustment for Contracts Purchased per High-Price Scenario	(0.0169)
Total Price Gain (Loss)	(0.0169)
Contracts In Plan	90
Gain (Loss) vs Average Market Price	\$ (15,243)

Purchased 23 call options x .66 premium x 10,000 mmbtu/contract =	\$	(151,800)
Purchased 11 call options x .58 premium x 10,000 mmbtu/contract =	\$	(63,800)
Purchased 11 call options x .605 premium x 10,000 mmbtu/contract =	\$	(66,550)
Purchased 34 call options x .41 premium x 10,000 mmbtu/contract =	\$	(139,400)
Purchased 11 call options x .365 premium x 10,000 mmbtu/contract =	\$	(40,150)
Proceeds received from exercise of calls	\$	7,900

Net gain/(loss) from options transactions	\$ (453,800)
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**South Carolina Pipeline Corporation**  
**Risk Management Program Adjustments**  
**Through April 2005**

	2005				Total
	January	February	March	April	2005
Commissions	\$ -	\$ 2,096	\$ 1,714	\$ 2,184	\$ 5,994
Software	3,863	2,433	4,441	5,487	16,224
Subscriptions	4,500	4,500	-	-	13,500
Data Feed	1,457	3,288	1,465	-	6,210
Non Hedging Addition to Cost of Gas	9,820	12,317	12,120	7,671	41,928
Hedging Additions(Subtractions)	-	1,704,650	1,677,700	1,800	3,384,150
Total Risk Management Program Adj.	\$ 9,820	\$ 1,716,967	\$ 1,689,820	\$ 9,471	\$ 3,426,078

Commissions  
Software  
Subscriptions  
Data Feed  
Non Hedging Addition to Cost of Gas  
Hedging Additions(Subtractions)  
Total Risk Management Program Adj.

**Results since Inception of program**

	Aug-Dec 1995	Total 1996	Total 1997	Total 1998	Total 1999	Total 2000	Total 2001	Total 2002	Total 2003	Total 2004	Total 2005	Total
Commissions	\$ 3,924	\$ 53,121	\$ 83,496	\$ 59,112	\$ 56,199	\$ 50,197	\$ 38,459	\$ 49,415	\$ 42,907	\$ 12,468	\$ 5,994	\$ 455,292
Software	4,215	9,547	8,847	8,412	8,412	17,063	29,176	21,782	12,082	25,549	16,224	161,309
Subscriptions	9,582	23,038	25,676	31,277	31,188	34,387	31,240	31,188	51,054	54,000	13,500	336,130
Data Feed	2,061	5,296	6,429	5,305	3,575	4,200	4,235	4,413	5,568	6,104	6,210	53,396
Non Hedging Addition to Cost of Gas	19,782	91,002	124,448	104,106	99,374	105,847	103,110	106,798	111,610	98,121	41,928	1,006,127
Hedging Additions(Subtractions)	(284,600)	(3,722,050)	27,450	3,410,260	(838,620)	(4,136,410)	12,684,200	11,012,500	(14,781,610)	2,315,013	3,384,150	9,070,283
Total Risk Management Program Adj.	\$ (264,818)	\$ (3,631,048)	\$ 151,898	\$ 3,514,366	\$ (739,246)	\$ (4,030,563)	\$ 12,787,310	\$ 11,119,298	\$ (14,670,000)	\$ 2,413,134	\$ 3,426,078	\$ 10,076,410

Commissions  
Software  
Subscriptions  
Data Feed  
Non Hedging Addition to Cost of Gas  
Hedging Additions(Subtractions)  
Total Risk Management Program Adj.

**South Carolina Pipeline Corporation**  
**Futures Transactions and Additional Costs Effect on Cost of Gas**  
**Through April 2005**

<u>Month</u>	<u>Yr</u>	<u>Cost of Gas Without Futures</u>	<u>Cost of Gas With Futures &amp; Additional Costs</u>	<u>Addition to/ (Subtraction from) Cost of Gas</u>
<b>1995 Total</b>		26,240,595	25,975,777	(264,818)
<b>1996 Total</b>		113,461,568	109,830,520	(3,631,048)
<b>1997 Total</b>		132,211,553	132,363,451	151,898
<b>1998 Total</b>		81,397,552	84,911,918	3,514,366
<b>1999 Total</b>		96,671,309	95,932,063	(739,246)
<b>2000 Total</b>		177,625,268	173,594,705	(4,030,563)
<b>2001 Total</b>		203,284,081	216,071,391	12,787,310
<b>2002 Total</b>		143,116,542	154,235,840	11,119,298
<b>2003 Total</b>		208,851,322	194,181,322	(14,670,000)
<b>2004 Total</b>		214,449,674	216,862,809	2,413,134
<b>January</b>	<b>05</b>	31,376,227	31,386,047	9,820
<b>February</b>	<b>05</b>	31,647,818	33,364,785	1,716,967
<b>March</b>	<b>05</b>	21,587,016	23,276,836	1,689,820
<b>April</b>	<b>05</b>	11,514,840	11,524,311	9,471
<b>Total</b>		<b><u>\$1,493,435,365</u></b>	<b><u>\$1,503,511,776</u></b>	<b><u>\$ 10,076,410</u></b>

South Carolina Pipeline Corporation  
Program Results  
Through May 2005

	January	February	March	April	May	Total 2005
NYMEX Average Market Price	\$ 6.9664	\$ 6.1858	\$ 6.1464	\$ 6.9695	\$ 7.2353	\$ -
Purchase Price Achieved per Normal Scenario	-	-	-	-	-	-
Difference	6.9664	6.1858	6.1464	6.9695	7.2353	-
Ratio of Contracts in Normal Scenario to Total Contracts in Plan	-	-	-	-	-	-
Price Gain (Loss) - Normal Scenario	-	-	-	-	-	-
Adjustment for Contracts Purchased per Low-Price Scenario	-	(0.8245)	(1.0529)	(0.3527)	(0.0169)	-
Adjustment for Contracts Purchased per High-Price Scenario	-	(0.8245)	(1.0529)	(0.3527)	(0.0169)	-
Total Price Gain (Loss)	-	236	193	81	90	600
Contracts in Plan	-	-	-	-	-	-
Gain (Loss) vs Average Market Price	\$ -	\$ (1,845,820)	\$ (2,032,048)	\$ (285,705)	\$ (15,243)	\$ (4,278,816)

	Results since Inception of program												
	Aug-Dec 1995	Total 1996	Total 1997	Total 1998	Total 1999	Total 2000	Total 2001	Total 2002	Total 2003	Total 2004	Total 2005	Total	
NYMEX Average Market Price	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Purchase Price Achieved per Normal Scenario	-	-	-	-	-	-	-	-	-	-	-	-	
Difference	-	-	-	-	-	-	-	-	-	-	-	-	
Ratio of Contracts in Normal Scenario to Total Contracts in Plan	-	-	-	-	-	-	-	-	-	-	-	-	
Price Gain (Loss) - Normal Scenario	-	-	-	-	-	-	-	-	-	-	-	-	
Adjustment for Contracts Purchased per Low-Price Scenario	-	-	-	-	-	-	-	-	-	-	-	-	
Adjustment for Contracts Purchased per High-Price Scenario	-	-	-	-	-	-	-	-	-	-	-	-	
Total Price Gain (Loss)	212	1,359	2,074	2,431	2,327	2,206	2,307	2,266	855	731	600	17,368	
Contracts in Plan	\$ 49,354	\$ 1,324,047	\$ (131,939)	\$ (1,672,780)	\$ 1,772,863	\$ 1,284,857	\$ (11,388,358)	\$ (12,400,430)	\$ 10,379,773	\$ (1,518,924)	\$ (4,278,815)	\$ (16,570,351)	
Gain (Loss) vs Average Market Price													

South Carolina Pipeline Corporation  
Contracts Purchased in Advance of Spot Month  
Updated Through April 27, 2005

Contract Month	Type of Security	Date Purchased	Sales			Purchases			
			Number of Contracts	Price	Total Dollars	Number of Contracts	Price	Total Dollars	
June 2005	Call Options	12/17/04	-		\$ -	32	0.700	\$ 224,000	
		12/20/04	-		\$ -	32	0.635	\$ 203,200	
		02/25/05	-		\$ -	48	0.480	\$ 230,400	
		03/03/05	-		\$ -	16	0.455	\$ 72,800	
		-	-		\$ -	-		\$ -	
		-	-		\$ -	128		\$ 730,400	
						Per Contract	Total Dollars		
Purchase price of call options						\$ 0.5706	\$ (730,400)		
Mark to market of outstanding call options						\$ 0.2678	\$ 342,720		
Funds received on sale of call options						\$ -	\$ -		
Total deferred gain/(loss)						\$ (0.3029)	\$ (387,680)		
July 2005	Call Options	02/25/05	-		\$ -	23	0.590	\$ 135,700	
		03/03/05	-		\$ -	18	0.545	\$ 98,100	
		-	-		\$ -	-		\$ -	
		-	-		\$ -	41		\$ 233,800	
								Per Contract	Total Dollars
		Purchase price of call options						\$ 0.5702	\$ (233,800)
Mark to market of outstanding call options						\$ 0.3640	\$ 149,250		
Funds received on sale of call options						\$ -	\$ -		
Total deferred gain/(loss)						\$ (0.2062)	\$ (84,550)		
August 2005	Call Options	02/25/05	-		\$ -	25	0.635	\$ 158,750	
		03/03/05	-		\$ -	19	0.610	\$ 115,900	
		-	-		\$ -	-		\$ -	
		-	-		\$ -	44		\$ 274,650	
								Per Contract	Total Dollars
		Purchase price of call options						\$ 0.6242	\$ (274,650)
Mark to market of outstanding call options						\$ 0.4742	\$ 208,650		
Funds received on sale of call options						\$ -	\$ -		
Total deferred gain/(loss)						\$ (0.1500)	\$ (66,000)		